

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:

IFS FINANCIAL CORPORATION
Debtor

§
§
§
§

CASE NO. 02-39553-H4-7
(Chapter 7)

TRUSTEE'S MOTION FOR ISSUANCE OF CERTIFICATION
IN SUPPORT OF COOPERATION
IN INTERNATIONAL PROCEEDINGS

IF YOU WANT A HEARING, YOU MUST REQUEST ONE IN WRITING, AND YOU MUST RESPOND SPECIFICALLY TO EACH PARAGRAPH OF THIS PLEADING. YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY DAYS FROM THE DATE YOU WERE SERVED AND GIVE A COPY TO THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF SOUGHT.

IF A PARTY REQUESTS EMERGENCY CONSIDERATION, THE COURT MAY ACT EXPEDITIOUSLY ON THE MATTER. IF THE COURT ALLOWS A SHORTER RESPONSE TIME THAN TWENTY DAYS, YOU MUST RESPOND WITHIN THAT TIME. IF THE COURT SETS AN EMERGENCY HEARING BEFORE THE RESPONSE TIME WILL EXPIRE, ONLY ATTENDANCE AT THE HEARING IS NECESSARY TO PRESERVE YOUR RIGHTS. IF AN EMERGENCY HEARING IS NOT SET, YOU MUST RESPOND BEFORE THE RESPONSE TIME EXPIRES.

TRUSTEE HAS REQUESTED EMERGENCY HEARING ON THIS MOTION.

TO THE HONORABLE JUDGE WILLIAM R. GREENDYKE,
UNITED STATES BANKRUPTCY JUDGE:

W. Steve Smith, Trustee of the above-captioned bankruptcy estate of IFS Financial Corporation, files this Motion for Issuance of Certification in Support of Cooperation in International Proceedings.

Jurisdiction and Venue

1. This Court has jurisdiction to grant the relief requested in this Motion under 28 U.S.C. §§ 1334 and 157. This is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (O).

Background of Bankruptcy Case

2. On August 23, 2002, an involuntary Chapter 7 bankruptcy petition was filed against IFS Financial Corporation (the “Debtor”).

3. On October 11, 2002, the Court entered an Order for Relief against the Debtor.

4. On October 15, 2002, the Trustee was appointed interim Trustee of the Debtor’s estate.

5. The meeting of creditors pursuant to 11 U.S.C. § 341 was conducted and concluded. Debtor appeared by and through its controlling stockholder and chief officer, Hugo Pimienta (“Pimienta”). Trustee was retained as permanent trustee pursuant to 11 U.S.C. § 702 and is presently serving as Trustee.

The Quest for Recognition and the New Mexican Issue

6. Effective May 12, 2000, Mexico adopted a new insolvency statute. The new law provides a streamlined procedure for cooperation in international proceedings and recognition of the representative of a foreign insolvency proceeding.

7. The Trustee has retained special Mexican counsel to assist in efforts to obtain full cooperation and recognition under the new law. Special counsel has reviewed the statute, and requested that the Trustee have this Court issue a certification of certain matters, which certification will be used in the new procedure to be filed by the Trustee in Mexico.

Relief Requested

8. The Trustee has drafted a proposed Certification in Support of Cooperation in International Proceedings to fulfill the requirements of the new Mexican insolvency law. The draft, without the voluminous attachments, is attached as Exhibit “A”. The complete original

Certification and all attachments will be presented at the hearing on this Motion.

Request for Emergency Hearing

9. Contemporaneously with the filing of this Motion, Trustee has filed a Motion for Emergency Hearing.

WHEREFORE, PREMISES CONSIDERED, W. Steve Smith, Trustee of the above-captioned bankruptcy estate requests this Court issue a Certification in substantially the form attached as Exhibit "A" for use by the Trustee in proceedings in Mexico, and grant the Trustee such other and further relief, both at law and in equity, to which he may show himself justly entitled.

Dated: March 29th, 2004.

Respectfully submitted,

/s/ W. Steve Smith

W. Steve Smith, Trustee
State Bar No. 18700000
2015 Crocker Street
Houston, Texas 77006
(713) 533-1833
Facsimile: (713) 533-1834

CERTIFICATE OF SERVICE

I, W. Steve Smith, hereby certify that a true and correct copy of the above was mailed via first-class mail, postage prepaid and/or via electronic notice pursuant to Amended Bankruptcy Local Rule 5005 on this 29th day of March, 2004, to all parties listed on the Service List attached hereto and/or via electronic notice pursuant to Amended Bankruptcy Local Rule 5005.

/s/ W. Steve Smith

W. Steve Smith, Trustee